



# Sacramento Metropolitan Fire District

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KURT P. HENKE  
Fire Chief

## BOARD OF DIRECTORS – ACTION SUMMARY Thursday, July 25, 2013 – 6:00 p.m.

City of Rancho Cordova City Hall-Council Chambers  
2729 Prospect Park Drive  
Rancho Cordova, California

### CALL TO ORDER

The meeting was called to order by Vice President Orzalli. Board Members present: Clark, Monk, Orzalli, Pierson, Scheidegger, Wood. Directors Goold, Jones, Kelly, absent. Staff: Fire Chief Henke, Board Clerk Tilson.

### PLEDGE TO FLAG

### METRO CABLE 14 ANNOUNCEMENT

The open session meeting is videotaped for cablecast on Metro Cable 14. Replay on Saturday, July 27, 2013 at 1:00 PM and Monday, July 29, 2013 at 9:00 PM on Channel 14; Webcast at [www.sacmetroable.tv](http://www.sacmetroable.tv).

The open session meetings are also available for viewing on the District website at [www.metrofire.ca.gov](http://www.metrofire.ca.gov)

### PUBLIC OPPORTUNITY TO DISCUSS MATTERS OF PUBLIC INTEREST WITHIN DISTRICT JURISDICTION INCLUDING ITEMS ON OR NOT ON THE AGENDA

### CONSENT AGENDA:

1. Board Meeting Action Summary – July 11, 2013
2. Disclosure of Material Expenditure—California Fire & Rescue Training Authority JPA – \$45,000
3. Enrollment Fees Payment to Los Rios Community College District – \$149,694

- **Board Action:**  
*Scheidegger/Clark—Approve the Consent Agenda. Roll Call: Directors Clark, Monk, Orzalli, Pierson, Scheidegger, Wood, AYE. Directors Goold, Jones, Kelly, absent. Motion passed.*

**ACTION ITEM(S):****1. Resolution No. 2013-90 – Fixing the Employer’s Contribution Under the Public Employees’ Medical and Hospital Care Act—(Wells)**

- On February 14, 2013, representatives for the District met and conferred with representatives of Sacramento Area Firefighters Local 522 over modifications to the current Memorandum of Understanding. It was agreed that effective July, 1, 2013 the District shall contribute 92% of the medical premium towards the selected health plan of employees or retirees enrolled in Basic or Combination plans. Employees and retirees will be responsible for the remaining 8% of the premium. For retirees that are enrolled in the Supplement/Managed Medicare plan (SM), the District shall contribute an amount equal to 100% of medical premium contribution.
- At the regular board meeting of April 25, 2013 the Board of Directors adopted Resolution No. 2013-69 establishing the employer’s contribution of 92% of the employee’s and retiree’s health premium. Upon implementation of the adopted resolution, the District was notified that the contributions were not deducted as intended. The District immediately contacted CalPERS and they provided resolution language to ensure correct implementation.
- In order to fully execute the medical premium contributions, this Resolution from CalPERS must be adopted by the Board and forwarded back to the CalPERS Board of Administration.
- Staff recommended adoption of the Resolution.
- **Board Action:**  
*Monk/Wood—Adopt the Resolution. Roll Call: Directors Clark, Monk, Orzalli, Pierson, Scheidegger, Wood, AYE. Directors Goold, Jones, Kelly, absent. Motion passed.*

**2. Resolution No. 2013-91 – FY 2010 State Homeland Security Grant Program (SHSGP) - US&R Props and Zinfandel Site Improvement Design Costs—(Davis)**

- A two-page staff report containing background information accompanied by a grant award letter from the California Office of Emergency Services (Cal OES) in the amount of \$350,000 was submitted.
- On July 11, 2013 the District became aware of Fiscal Year 2010 State Homeland Security Grant program (SHSGP) funds being returned to Cal OES from a jurisdiction who could not expend the funds before the grant expiration date of July 31, 2013.

- On behalf of the California Fire and Rescue Training Authority (CFRTA) the Sacramento Metropolitan Fire District is developing Urban Search and Rescue (US&R) props and other site improvements on property owned by the District at 3801 Zinfandel Drive, Rancho Cordova, CA. In the development of these improvements the District will incur costs for design, permits, fees, etc. that will ultimately be reimbursed by the CFRTA. Staff worked closely with Cal OES to identify funds which could be awarded to the District to support this project.

- Below are the costs identified as eligible under the grant:

MFDB Architects	Architectural Engineering Design Fees	\$172,427
RBF Consulting	Engineering and Design Fees	\$ 20,961
Abercrombie	Fire Specialties Design	\$ 65,108
City of Rancho Cordova	Permits, Inspection Fees	\$ 7,120
Roebbelen	Project Management, Estimating	\$ 33,364
ARC	Document Duplication	\$ 36
Metro Fire	Project Management (Pre-Construction)	\$ 8,232
Metro Fire	Grant Administration	<u>\$ 15,362</u>
Total		\$322,610

- There are no match requirements for SHSGP funding. Grant management expenses are covered by the grant.
- Board Action:**  
*Scheidegger/Clark—Adopt the Resolution. Roll Call: Directors Clark, Monk, Orzalli, Pierson, Scheidegger, Wood, AYE. Directors Goold, Jones, Kelly, absent. Motion passed.*
- Larry Davis added that the award letter was received last Friday from Cal OES. On Monday they called and asked if we could replace the State Homeland Security money with the Metropolitan Medical Response System (MMRS) funding. Homeland Security will cover MMRS funding or SHSGP and this may be a different source but with money from the same grant program.

## PRESENTATION ITEM(S)

### 1. Report re: Actuarial Valuation of Other Post-Employment Benefit Programs as of July 1, 2012—(CFO McFarlane/Catherine MacLeod-Bickmore)

- A 32-page report providing the results of the July 1, 2012 Actuarial Valuation of Other Post-Employment Benefits (OPEB) liabilities for the District was submitted by Bickmore.

- Catherine MacLeod, Director of Health and Benefit Actuarial Services for Bickmore, gave a PowerPoint presentation with an overview of the valuation process and the various disclosures required by GASB 45. The next valuation is scheduled to be prepared as of July 1, 2013 as required for continued participation in the California Employers' Retiree Benefit Trust (CERBT) fund. The presentation included, among other things, the following:
    - On July 1, 2012, there were 578 retirees and 583 active employees demonstrating that lifetime retiree medical is a valuable benefit and significant expense.
    - The District has taken two actions this year that reduced the OPEB liability:
      1. Retiree medical benefits have been reduced and controlled.
        - Pre-Medicare retirees now contribute at least 8% of their medical premiums
        - Post-Medicare retirees are now subject to a maximum monthly amount
      2. The District established an irrevocable OPEB trust and is moving toward contributing 100% of the Annual Required Contribution (ARC) each year.
        - Charts were shown demonstrating that the District will earn substantially more on dollars set aside toward OPEB funding
  - The new benefit provides the following:
    - Basic/Combination Plans: 92% of premiums for the retiree's chosen coverage level, up to 92% of the 3<sup>rd</sup> highest rate plan in the Bay Area (currently Blue Shield NetValue HMO plan)
    - Medicare plans: 100% of premium up to the 3<sup>rd</sup> highest rate plan in the Bay Area for the retiree's chosen coverage level
    - Employees hired after December, 2011 are covered by the Public Employees' Medical and Hospital Care Act (PEMHCA) "Vesting Formula"
  - A series of charts outlined the Actuarial Present Value of Projected Benefits
  - By changing retiree benefits and the OPEB Funding Policy
    - From a Pay-As-You-Go basis (only paying current retiree benefits)
    - To a Prefunding Basis (contributing 100% of the ARC)
- The District reduced its past-service OPEB Liability (the AAL) by \$81 million (actually \$103 million from what was expected)

- Primary Reasons for the Decrease in Actuarial Accrued Liability (AAL):
  - A change in benefits for retirees (\$19 million decrease)
  - A projection of future improvements in mortality – longer life expectancy (\$4 million increase)
  - A change in the discount rate, from 4.5% to 7.25% (\$66 million decrease)

Vice President Orzalli thanked Ms. MacLeod for the presentation and congratulated the District on prefunding.

**PRESIDENT’S REPORT—(Kelly)**      None

**FIRE CHIEF’S REPORT—(Fire Chief Henke)**

- July 17, 2013 – Attended the Sac Business Journal Luncheon for CFO of the Year Award. Chief Financial Officer Rhonda McFarlane received the Large Nonprofit/Public Agency Award. He was very proud that she achieved that kind of success in the finance arena and thanked her for the hard work.
- July 23 & July 24, 2013 @ 9–11 AM – Conducted question and answer forums on Retiree Health Care.
- July 26, 2013 @ 6:30 PM – Guns & Hoses 2013 Food Festival, Red Lion Hotel Woodland
- July 27, 2013 – State Fair – Firefighter Cooking Challenge (July 28 day two if successful on July 27)
- August 3, 2013 @ 10 AM – Sacramento Metro Fire Association – Music in the Park – Gibson Ranch Park, Elverta
- August 12, 2013 – Promotion Ceremony – Rancho Cordova City Hall, Social Hour @ 5:30 PM, Ceremony @ 7 PM
- **New Hires:**  
Effective July 1, 2013 – Montie Vanlandingham, Chief Pilot-Operations Division
- **Promotions:**  
Effective 7/15/13 – Accounting Specialist Matt Davies (Purchasing/Logs Division)
- **Recruitment – Internal/External Applications:**  
Accounting Technician – Final filing date July 26, 2013 @ 5 PM  
Office Technician – Final filing date August 5, 2013 @ 5 PM
- We are on a wind down at Rancho Cordova City Hall. The first Board meeting in September will be held at the Armstrong Headquarters Building. The project has gone extremely well and ahead of schedule.

**OPERATIONS REPORT – Deputy Chief Scott Cockrum****EMS –**

Statistics since the last Board meeting:

Metro Fire: 2,377 dispatches; transported 71.3% of the time.

AMR: 24 dispatches; transported 62.5% of the time

**Fire Incidents –**

11 structure fires since the last meeting.

**Overhead Team –**

- Fire Chief Henke stated that Deputy Chief Scott Cockrum, Assistant Chief John Wagner, and Battalion Chief Larry Savage were on the Overhead Team that managed the mountain fire to the west of Palm Springs for eight days and just returned.

**GENERAL COUNSEL’S REPORT—(John Lavra)   None****LOCAL 522 REPORT – Ty Bailey**

- Had their three-year bids recently. There will be new crews moving around to their new stations during the first week in August.

**COMMITTEE AND DELEGATE REPORTS:****Executive Committee—(President Kelly)**

- No meetings

**Communications Center JPA—(DC Cockrum)**

- Reported on today’s meeting.
  - Honored long-time employee Glenn Swarner who is retiring August 1st.
  - Gave statistics on call volume. Processed over 225,000 emergency calls for service in FY 2012/2013.
- Next Meeting:   July 30, 2013 – 9:00 AM  
Cosumnes CSD Board Chambers  
8820 Elk Grove Boulevard  
Elk Grove, CA

**California Fire & Rescue Training Authority—(Kelly)**

- Next Meeting:   September 4, 2013 – 10:00 AM  
Location:       9320 Tech Center Drive  
Sacramento, CA

**Finance Committee—(Scheidegger)**

- Next Meeting:   August 8, 2013 – 5:00 PM

**Policy Committee—(Pierson)**

- No meetings scheduled.

**BOARD MEMBER QUESTIONS AND COMMENTS:****Monk:**

- Thanked CFO McFarlane and her staff for all their hard work on producing the Reserve Policy and Target Chart.

**Wood:**

- Expressed his appreciation to Fire Chief Henke, Brenda Briggs, Leslie Miller, Local 522, and all the support divisions for the Fire Camp program. Everyone had a great time.

**Scheidegger:**

- Congratulated CFO McFarlane on receiving a well-deserved Awards recognition.
- Acknowledged Larry Davis for his accomplishment in getting the grant money.

**Pierson:**

- Acknowledged CFO McFarlane and her staff. As a taxpayer, we know where our taxes are going.

**Clark:**

- Echoed the sentiments of the other directors on the Award presented to CFO McFarlane.
- Larry Davis is doing a fine job on securing grants and it is appreciated.
- Thanked the men and women who fight the fires day in and day out.
- Looking forward to having our own Board room in September.

**Orzalli:**

- Echoed comments of the directors and congratulated Ms. McFarlane on the Award as a CFO of the Year.
- Thanked Citrus Heights Council Member Sue Frost for her call today asking about information on the Simulator Project and for her continued interest in developing the project.

**ADJOURNMENT** –The meeting was adjourned at 7:04 p.m.

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Matt Kelly, President

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Grant B. Goold, Secretary

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Charlotte Tilson, Clerk of the Board